

In fact, the day the Gang of 6 announced their proposed framework was one of my better and prouder days as a Senator. For the first time since I have been in the Senate, I saw Democratic and Republican Senators, almost equally divided, come together to put politics aside and agree to the principles of a commonsense solution that recognizes the urgency of fixing our long-term problems.

No plan is perfect; no plan will be. No plan will please all, and no plan can. But within these two plans I believe lies the path our Nation can take if we are to get our fiscal house in order. Of course, some will have other ideas, whether from the right or whether from the left, and we should listen to them all. But I would ask each of us and all the groups that undoubtedly will be mobilized to stop any fix, to think hard about what will happen to our great Nation if we fail and do nothing. What will happen to the programs we cherish, such as Social Security and Medicare, for all those people who depend on that for their only means of livelihood? What will happen to our Nation's defense and to our tax rates? What will happen to the people who are truly in need? What will happen to our seniors, our veterans, and our children if we choose to do little or nothing at all?

Finally, as the negotiations for this long-term fix proceed, I would hope we could all remember that if we are to negotiate in good faith, we must have faith in each other. We cannot turn a fair compromise into the enemy, and we can't tear each other apart with attacks if we are to come together to solve our Nation's great problems. We can respectfully disagree as long as we never forget to respect each other.

As difficult as the next few days and weeks and months will be, I believe we, the President and this esteemed Congress, have the opportunity to make this one of our finest hours. We have within our hands an opportunity where we can prove to the naysayers and the doubters that the government of the people is as great as the people which it serves.

I, for one, am willing to do whatever I possibly can, whatever is asked of me; I will work hard every day, across the aisle, until we have a long-term solution to our debt crisis.

I know no Senator or Member of Congress can do this alone. But together, putting politics aside, we can do this. For the sake of this great Nation, our children, the State I love, West Virginia, and this wonderful country of ours, the United States of America, I truly hope we do.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FRANKEN). The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### DEFENSE DEPARTMENT INSPECTOR GENERAL AUDITS

Mr. GRASSLEY. Mr. President, at least two times in the last couple of months I have come to the floor to tell my colleagues about some work I am doing on investigation of waste, fraud, and abuse in the Defense Department and primarily to focus them on the work of the Inspector General's Office in regard to how they do audits. So I come to the floor today to renew my call for better audit reports.

As a Senator dedicated to watchdogging the taxpayers' money, audits are a primary instrument in my toolbox. They are like a hammer and a wrench. They are the tools of the trade. But like other Members of Congress conducting oversight, I can't do audits. We don't have staff for that, so we must rely on the inspectors general of the various departments to do the independent audits of the work of those departments. So today I speak about the Defense Department inspector general.

The audit should be the inspector general's primary weapon for rooting out fraud, waste, and theft. Audits should be the tip of their spear, and that spear should have a very sharp point. The mere possibility of audit should have the fraudsters—people who commit fraud—quaking in their boots, but that is not the way it is, at least not at the Defense Department.

The audit weapon belonging to the Defense Department's inspector general is not as effective as it should be. This problem is not entirely the inspector general's own doing. The broken Defense Department accounting system is also to blame. It is incapable of generating accurate and complete finance and accounting data. When the books are in shambles, as they are, then there are no audit trails to follow, and following the money is how we get to the bottom of things when it comes to waste, fraud, abuse, and mismanagement. Of course, that makes the auditor's job doubly difficult. So the auditors need to adjust the audit strategy to meet the challenge that there is not a very good financial management system within the Defense Department.

As a watchdog, degraded audit capabilities give me serious heartburn. It puts the taxpayers' money in harm's way. When we have unreliable accounting data coupled with ineffective auditing, theft and waste can thrive undetected. Those concerns are the driving force behind my ongoing audit oversight review.

Starting in January of 2009, I began receiving anonymous letters from whistleblowers. They alleged gross mismanagement in the audit office. In response, my staff initiated an in-depth oversight review. It focused on audit reporting by that Inspector General's Office.

On September 7, 2010, I issued my first report. It evaluated 113 audit reports issued in fiscal year 2009. That study determined that those audits,

which cost the taxpayers about \$100 million, were not on target. I offered 12 recommendations for getting the audit process back on track.

Inspector General Heddell responded to my report in a very positive and constructive way. He promised to "transform the audit organization." The newly appointed deputy for auditing, Mr. Dan Blair, produced a roadmap pointing the way forward. He, too, promised reform and transformation and the creation of a "world-class oversight organization." All of this, of course, was music to my ears. All signals were very encouraging. But the big question before us now is this: When will the promised reforms begin to pop up on the radar screen? And that radar screen is our further reading of additional audits as they come out this fiscal year and into the future. When will we see sustained improvement in audit quality?

To establish a solid baseline for assessing the highly touted transformation plan, my staff took another snapshot of recent audits. My latest oversight review is best characterized as a report card, and it was issued on June 1 of this year. Each of the 113 unclassified reports published in fiscal year 2010 was reviewed, evaluated, and graded. After each report was graded, all the scores for each report on each rating category were added up and averaged. This created a composite score for each of the 113 reports.

Although 15 top-quality audits are highlighted in the report card, the overall score for all 113 was D-minus. That is low, I know. Maybe the score should have been a little higher. Obviously, the grading system isn't perfect. It may need some fine-tuning, and we are working on that. But I still believe it provides a rough measure of audit quality.

Clearly, none of the 2010 reports reflected any reforms that Inspector General Heddell put in place in December of 2010 because all those reports were published 3 months before the reforms went into place before October 1, 2010. That was a good 3 months before those reforms were approved.

Shortly after my report card was issued, Inspector General Heddell pounced on it. He objected to the low score. He complained that it did not adequately reflect \$4.2 billion in what he calls "achieved monetary benefits" identified in the 2010 audits.

To address Mr. Heddell's concerns, I had my staff ask the audit office to prepare an information paper on the reported savings. That document was provided to me on June 20. I call it a "crosswalk." It takes me to the exact page in each report where savings are discussed and identified. This document lists \$4.2 billion in "identified potential monetary benefits" and \$4.2 billion in "collections." These alleged savings were uncovered in 19 reports, including one classified report we didn't look at.

After reviewing the crosswalk, I concluded that Inspector General Heddell

had a legitimate gripe about the report card. The report card should have included a section on savings. The first time around, we did not give sufficient credit for those accomplishments. As a practical matter, we gave those reports only partial credit for pinpointing waste. I say partial credit because six of those reports were given top scores in my report card, so they did get some credit—just not enough credit.

In order to fully assess Mr. Heddell's complaints, I directed my staff to reassess the scoring process for all 18 unclassified audits. In rescoring the reports, we asked ourselves key questions such as, Was the audit objective aligned with the inspector general's core mission? Did contract audits connect all the dots in the cycle of transactions? Did they match contract requirements with payments? Did the audits answer the key oversight question, which is, Did the government receive what it ordered at an agreed-upon price and schedule? Did the audit verify the exact dollar amount of alleged fraud and waste using primary source payment records? I do not have time to go into this, but the use of primary source payment records is very important if we are going to follow the money, and following the money is where we determine whether there is fraud, waste, and abuse.

Other key questions we asked were: Were the recommendations tough and appropriate? Did they recommend accountability for waste and mismanagement? Did they propose workable remedies for recovering improper payments? How quickly were the audits completed?

The answers to these questions take us right to the heart and the soul of an audit—any audit, in any department. They are a good yardstick for measuring audit quality.

This is my bottom line: Were the audits hard-hitting, down-in-the-trenches audits that produced results or were they softball audits with no redeeming value?

After completing the review, my staff upped the overall score of those 18 reports from a D-plus to a solid C.

Excellence in several reporting categories pushed the scores up as follows: All reports were highly relevant and were aligned with the core mission. They detected and reported \$4 billion in waste. Most reports offered reasonable recommendations for recovering unauthorized payments.

Poor performance in other categories pulled scores down as follows: Most reports did not verify exact dollar amounts of waste using primary source payment records. I wish to emphasize again the necessity of using primary source pay records. Follow the money. Most dollar amounts for alleged savings were taken from untested Army budget documents. Most did not offer meaningful recommendations for holding responsible officials accountable for waste and mismanagement. Of course, in government, if people are

not held responsible for what they do and accountable for what they do, then, of course, we do not see change in culture. So accountability and responsibility and holding people responsible is very important if we are going to bring changes. Then, lastly, I would say, most reports were old and stale, having taken far too long to complete.

I wish to point this out by saying, the single biggest factor that keeps dragging the scores down into the pits is timeliness or lack of it and, in most cases, the lack of it. The Audit Office continues to publish old, stale reports. Of these 18 reports we reviewed and on which I am reporting to you, they took an average of 17 months to complete. Eight took a total of 168 months to complete, and none of these numbers includes the 4 to 6 months it takes to get an audit started. So we are looking at a minimum of 2 years to complete top-quality audits.

Under my scoring system, audits completed in 6 months or less earn a grade A, those completed in 12 months earn a C, and those that take more than 15 months get an F.

These 18 reports, of course, as we can see from my comments, were over the top. So they earned a grade of F for taking so long to finish.

I have said this before, and I wish to say it again. The power of top-quality audit work is greatly diminished by stale information. Out-of-date audits have little impact—with the passage of time, records disappear, particularly financial records—because following the money is a very important part of good auditing. People retire and move on. Money cannot be recovered and no one can be held accountable, and without people being held accountable, we do not change the culture of organizations.

The new Deputy for Auditing, Mr. Blair, is part of the problem. He has not set any goals for audit completion times. I hope he will do that. Reasonable goals need to be established.

I would like to summarize. In my summarization, I would point out that I wish to talk about the \$4 billion that was potential waste and was saved. These 18 reports clearly put the spotlight on \$4 billion of potential waste. The auditors detected it. They reported it. They did exactly what they are supposed to do. That is a major accomplishment worthy of recognition and praise. So they ferreted out waste. They presumably saved the money.

But what happened to the \$4 billion? Busting \$4 billion in waste did not produce \$4 billion in savings. The savings touted by Inspector General Heddell were lost, in a sense.

Then there is a technical lingo around government: The money got reprogrammed. In plain English, that means it got put to better use but not necessarily saved. As seen through the eyes of this skeptical watchdog, all the loose change got scooped up and shoveled out the backdoor and into the jaws of the Pentagon spending machine on

some other program. That machine is known to have an insatiable appetite for money.

The disappearance of the savings is part semantics. The word "waste" is not in the audit lexicon. Sprinkling waste with perfume and calling it savings does not make it savings. Perhaps if the auditors started calling it what it is—waste—it might be easier to reach the Promised Land, but they never got there. Mr. President, 99.9 percent of the \$4 billion got spent. Only in government could we spend all the money and still claim savings.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THUNE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### DEBT LIMIT

Mr. THUNE. Mr. President, later today, we will get a chance—another chance, I should say—to vote to raise the debt limit.

My understanding is, the House of Representatives has delayed the time at which they are going to vote on their plan, the so-called Boehner plan. But at some point I suspect that vote will move forward and we will end up receiving that legislation from the House of Representatives, and we will have an opportunity to act on that as well.

It will be the second bill we will vote on in the Senate that would raise the debt limit. The first one was the cut, cap, and balance plan that was first approved by the House before being sent to the Senate over 1 week ago.

This was a three-pronged approach that would have required a downpayment on our deficits by immediately cutting spending. It would have put us on a path to reform entitlements and cut spending over the medium term by putting a cap on spending as a percentage of our economy. Finally, it would have made sure we do not keep adding to our debt by approving a debt limit increase after a balanced budget amendment to our Constitution was passed by Congress.

This was the Republicans' first choice as to how to deal with this crisis. Unfortunately, Senate Democrats killed this commonsense bill which had the support, according to a CNN poll, of 66 percent of Americans. So we did not have an opportunity to debate it, offer amendments or get an up-and-down vote on that legislation. In the interest of solving the problem before us, it was recognized that probably we would have to find another approach.

There have been a lot of observations made by the media and others that somehow the Republicans need to compromise more in this situation. My